



Ancillary Document Review Supplement
(This form must be filled out electronically.)

This form is to be used when reviewing interpretive and/or policy statement(s) in conjunction with the review of a rule.

Interpretive and/or policy statements are issued by the Department of Revenue under authority of RCW 34.05.230. These statements explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. These statements include documents such as Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs).

All responses should be in **bold** format.

Interpretive or policy statement(s) being reviewed (provide number and title):

ETA 2012-08.12.13601 -- Manufacturers' Machinery and Equipment Exemption

ETA 2012-9S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Prototypes

ETA 2012-8S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Computers

ETA 2012-7S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Buildings, Fixtures, and Support Facilities

ETA 2012-6S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Manufacturing Site

ETA 2012-5S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Design and Product Development

ETA 2012-4S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Devices

ETA 2012-3S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Electrical Apparatus and Utility Systems

ETA 2012-2S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Pollution Control Equipment

ETA 2012-1S.08.12.13601 -- Manufacturers' Machinery and Equipment Exemption Rental of Tangible Personal Property and Rental of Equipment with an Operator

Date issued: **March 31, 2003**

Reviewer: **Allan Lau**

Date reviewed: **June 15, 2004**

This review is in conjunction with the review of the following rule(s) (provide WAC number(s) and title(s)): **WAC 458-20-13601 Manufacturers and processors for hire -- sales and use tax exemption for machinery and equipment**

Briefly explain the subject matter of the document(s):

These ETAs explain the various contexts in which they are being applied to the manufacturers' machinery and equipment exemptions. The various contexts include (1) rental of tangible personal property and rental of equipment with an operator, (2) pollution



control equipment, (3) electrical apparatus and utility systems, (4) devices, (5) design and product development, (6) manufacturing site, (7) buildings, fixtures, and support facilities, (8) computers, and (9) prototypes.

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

YES	NO	
X		Is the document written and organized in a clear and concise manner?
	X	Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
X		Does the document provide information not currently in a rule, other interpretive or policy statement, or WTD?
X		Is the document providing the result(s) that it was originally designed to achieve?

If the answer is "no" to any of the questions above, provide a brief explanation for that response.

ETA 2012-1S

- Effective 7/1/04, the term "rental of equipment with an operator" is changed to "providing tangible personal property along with an operator" to be consistent with the Streamlined Sales and Use Tax Agreement;
- Reference to RCW 82.04.050(4) should be changed to RCW 82.04.050(4)(a) effective 7/1/04;
- Reference to Rule 211 should be changing to Rule 266 (as soon as Rule 266 is officially adopted)

ETA 2012-4S

- Effective 7/1/04, the term "software" is no longer defined in RCW 82.04.215(6); instead, the term "computer software" is defined in RCW 82.04.215(2) to be consistent with the Streamlined Sales and Use Tax Agreement

Review Recommendation:

<u>X</u>	Amend	ETA 2012, ETA 2012-1S, ETA 2012-4S, ETA 2012-5S, and ETA 2012-8S
<u> </u>	Cancel	(Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
<u>X</u>	Leave as is	(Appropriate even if the recommendation is to incorporate the current information into another rule.) The rest of the ETA 2012s

Briefly explain your recommendation:

ETA 2012

- Change the title of ETA 2012-1S from "Rental of tangible personal property and rental of equipment with an operator" to "Rental of tangible personal property and providing tangible personal property along with an operator"

ETA 2012-1S



- Change the term "rental of equipment with an operator" to "providing tangible personal property along with an operator" wherever such term exists in this ETA
- See above for changes in citations of laws and regulations
- The section on "providing tangible personal property along with an operator" should incorporate these terms as provided under RCW 82.04.050(4)(a)
 - The term ["retail sale"] shall also include: ... (ii) Providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (4)(a)(ii), an operator must do more than maintain, inspect, or set up the tangible personal property.
 - The substantive portions of this section (the further explanations of the term and the examples) do not need to be changed, because they do not contradict with the definitions given by statute

ETA 2012-4S

- Change the term "software" to "computer software" wherever such term exists in this ETA
- The definition of "software" given in this ETA should be changed to "computer software" as provided under RCW 82.04.215(2)
 - "Computer software" means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task....
 - No substantive portion of the section " software" needs to be changed, because the contents of this section do not contradict with the revised definition of "computer software" given by statute

ETA 2012-5S

- Before the section titled "Presumption," advise the taxpayers the following exemption on computer equipment for printers and publishers:
 - (See L. 2004, c. 8, § 2 and § 3 (not yet codified) for the sales and use tax exemption (effective 6/10/2004) specifically for printers or publishers of computer equipment, including repair parts and replacement parts for such equipment, as well as sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such equipment)

ETA 2012-8S

- At the end of the section "Manufacturing operation issues," advise the taxpayers the following exemption on computer equipment for printers and publishers:
 - See L. 2004, c. 8, § 2 and § 3 (not yet codified) for more information about the sales and use tax exemption (effective 6/10/2004) for printers or publishers of computer equipment, including repair parts and replacement parts for such equipment, as well as sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such equipment

Manager action: Date: July 2, 2004



__AL__ Reviewed and accepted recommendation